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21 May 1958

Validity Study of NIE 27.1-56:

Probable Developments in Spain,

published 12 June 1956

NIE 27.1-56 has proved substantially correct. In some particulars it anticipated trends still developing at this moment, such as the continuing of labor unrest. It correctly calculated that Franco could retain power, and that oppositionist forces, although increasing in restlessness, would probably remain weak. Although calling attention to certain basic weaknesses in the Spanish industrial expansion program, the estimate failed to judge the severity of inflationary pressures that were developing and slightly underemphasized the rapidity with which foreign credits might be exhausted.

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